

**BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO**

In the Matter of the Protest of	)	
	)	DOCKET NO. 20025
[REDACTED],	)	
	)	DECISION
Petitioner.	)	
_____	)	

On December 29, 2006, the Tax Discovery Bureau (Bureau) of the Idaho State Tax Commission issued a Notice of Deficiency Determination (NODD) to [Redacted] (taxpayer) proposing income tax, penalty, and interest for tax years 1999 through 2003 in the total amount of \$11,858.

The taxpayer protested the determination and subsequently submitted her returns for the years 2000 through 2003. Information was furnished regarding 1999, but the taxpayer's 1999 Idaho individual income tax return was not submitted to the Tax Commission for filing. The Tax Commission, having reviewed the file, hereby issues its decision based thereon.

Information available to the Tax Commission indicated the taxpayer was an Idaho resident who met the filing requirements for the years 1999 through 2003. Because the Tax Commission's files did not include the taxpayer's income tax returns, the Bureau prepared Idaho individual income tax returns on the taxpayer's behalf and issued a NODD.

The taxpayer protested that determination and sent the returns for tax years 2000 through 2003. The return for 1999 was not received. The Bureau notified the taxpayer that her returns were accepted as filed and the portion of the deficiency determination addressing the years 2000 through 2003 was canceled. Therefore, this decision will address the taxpayer's Idaho income tax responsibility for tax year 1999 only.

The taxpayer's file was transferred to the Legal/Tax Policy Division for administrative review. The taxpayer did not respond to a letter from the Tax Policy Specialist that outlined her appeal rights.

Idaho Code § 63-3002 defines the intent of the Idaho legislature regarding Idaho income tax:

**63-3002. Declaration of intent.** -- It is the intent of the legislature by the adoption of this act, insofar as possible to make the provisions of the Idaho act identical to the provisions of the Federal Internal Revenue Code relating to the measurement of taxable income, to the end that the taxable income reported each taxable year by a taxpayer to the internal revenue service shall be the identical sum reported to this state, subject only to modifications contained in the Idaho law; to achieve this result by the application of the various provisions of the Federal Internal Revenue Code relating to the definition of income, exceptions therefrom, deductions (personal and otherwise), accounting methods, taxation of trusts, estates, partnerships and corporations, basis and other pertinent provisions to gross income as defined therein, resulting in an amount called "taxable income" in the Internal Revenue Code, and then to impose the provisions of this act thereon to derive a sum called "Idaho taxable income"; to impose a tax on residents of this state measured by Idaho taxable income wherever derived and on the Idaho taxable income of nonresidents which is the result of activity within or derived from sources within this state. All of the foregoing is subject to modifications in Idaho law including, without limitation, modifications applicable to unitary groups of corporations, which include corporations incorporated outside the United States.

Idaho Code § 63-3030 establishes the filing requirement Idaho income tax return:

**63-3030. Persons required to make returns of income.** -- (a) Returns with respect to taxes measured by income in this chapter shall be made by the following:

- (1) Every resident individual required to file a federal return under section 6012(a)(1) of the Internal Revenue Code.
- (2) Any nonresident individual having for the current taxable year a gross income from Idaho sources in excess of two thousand five hundred dollars (\$2,500), or any part-year resident individual having for the current taxable year a gross income from all sources while domiciled in or residing in Idaho, and from Idaho sources while not

domiciled in and not residing in Idaho, which in total are in excess of two thousand five hundred dollars (\$2,500);

The taxpayer does not deny she is required by law to file an Idaho individual income tax return for 1999, yet she has not filed the return. The taxpayer's Idaho income tax responsibility was calculated from federal and state income information. The federal records were made available to the Tax Commission pursuant to Internal Revenue Code § 6103(d) and Idaho Code § 63-3077.

The Bureau calculated the taxpayer's Idaho tax using the standard deduction and one exemption. No W-2s could be located. However, because the taxpayer was employed by the same employer and her marital status and dependents were the same for 1999 as for 2000 and 2001, the Bureau estimated the withholding based on an average of the annual withholding for each of the prior two years. The taxpayer was given the opportunity to accept the amended figures and withdraw her appeal. However, she did not respond.

Interest and penalty was added pursuant to Idaho Code §§ 63-3045 and 63-3046. The Tax Commission reviewed those additions and found them proper and in accordance with Idaho code.

A Notice of Deficiency Determination issued by the Idaho State Tax Commission is presumed to be accurate. Parsons v. Idaho State Tax Comm'n, 110 Idaho 572 (Ct. App. 1986). The burden is on the taxpayer to show that the tax deficiency is erroneous. Albertson's, Inc. v. State, Dept. of Revenue, 106 Idaho 810 (1984).

The taxpayer has failed to file an Idaho income tax return for 1999. Absent information to the contrary, the Tax Commission finds the Bureau's amended calculation of Idaho income tax, penalty, and interest to be an accurate reflection of the taxpayer's 1999 Idaho individual income tax responsibility.

WHEREFORE, the Notice of Deficiency Determination dated December 29, 2006, is hereby  
MODIFIED and, as so modified, is APPROVED, AFFIRMED, and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the taxpayer pay the following tax, penalty,  
and interest:

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
1999	\$274	\$118	\$133	\$525

Interest is calculated through September 1, 2007.

DEMAND for immediate payment of the foregoing amount is hereby made and given.

An explanation of the taxpayer's right to appeal this decision is enclosed with this decision.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2007.

IDAHO STATE TAX COMMISSION

\_\_\_\_\_  
COMMISSIONER

#### CERTIFICATE OF SERVICE BY MAIL

I hereby certify that I have on this \_\_\_\_\_ day of \_\_\_\_\_, 2007, served a copy  
of the within and foregoing DECISION by sending the same by United States mail, postage prepaid, in  
an envelope addressed to:

[REDACTED]

Receipt No.  
  
\_\_\_\_\_